

Labor Market Information Division (LMID)
Advisory Group Meeting
January 9, 2002
LMID Conference Room 2-3, Sacramento, CA
Meeting Minutes

Attendees:

Dan Blake – CSU Northridge

Liz Clingman – Workforce Investment Div.

Deb Cusimano – CA Workforce Investment Board

Doug Gray – General Business Services

Paul Gussman – Workforce Investment Board

Naomi Hamamoto – Marketing and Constituent Services

David Illig – Health and Human Services

Velessata Kelley – Legislative Liaison

Sandy Kirshenman – Los Rios Community College District

LMID Staff--

Ken Budman

Tamara Garcia

Bonnie Graybill

Carl Hedlind

Brendan Kelly

Jeneace O'Brien

Fran Styron

Paul Wessen

Greg Marutani – Private Industry Council, San Francisco

Jerry Nolan—EDD IT Branch

Beverly Odom -- CA Workforce Investment Board

Dennis Reid—Bureau of Labor Statistics

Robert Schallig--Education

Alice Seamans-- Marketing and Constituent Services

Joanne Severson—Bureau of Private Post Secondary Vocational Education

Steve Weiner—Southern California Association of Governments

Stacy Wilson—California Post Secondary Education Commission

Chuck Wiseley—Chancellor's Office of the Community Colleges

Facilitator: Bonnie Graybill

Recorder: Scott Slotterbeck

Welcome

Bonnie Graybill welcomed the group and offered Richard Holden's apology for not being able to attend. Richard was attending the National Association of State Workforce Agencies LMI Director's Meeting in Los Angeles.

Review of Minutes

The minutes from the LMI Advisory Group meeting held on September 19, 2001 were read and accepted. Robert Schallig suggested that participants should be given the opportunity to review the minutes before the meeting so group members can make sure they were properly

quoted. (Side note: LMID does send the minutes out several months before the next meeting, but we will be sure to specifically solicit comments and changes before the meeting.)

SOC Conversion by 2004

Presenters:

Ken Budman

Carl Hedlind

Brendan Kelly

Fran Styron

The LMID presenters gave an overview of the new Standard Occupational Classification (SOC) system and how it will impact LMID. The SOC will supplant the Occupational Employment Statistics (OES) system.

Ken and Carl discussed some of the highlights of the SOC:

- The SOC consists of:
 - 23 major groups
 - 96 minor groups
 - 229 broad occupational categories
 - 821 detailed occupations
- The SOC focuses on the work that is actually performed. For example, a first-line supervisor in a professional category who spends less than 80% of their time supervising will be classified in the professional occupation. Greater than 80% supervision lands that person in the supervisory class.
- The OES survey unit has already completed two years of the three-year cycle using the SOC.
- One of the advantages of the SOC system is its capacity to add occupations. It will be updated on a ten- year cycle. The current system will be reviewed in 2005 for the 2010 update.
- The SOC will be incorporated into the occupational employment projections for the 2000-2010 cycle to be published summer of 2002.
- All subsequent State and county projections will use the SOC. The first release of SOC-based California projections will cover the period 2000-2010, and county projections will cover the 2001-2008 time period.

In addition to the SOC conversion, the projections unit will be converting industry employment projections from the Standard Industrial Code (SIC) system to the North American Industrial Classification System (NAICS) starting in 2005. The NAICS-based California statewide projections for 2004-2014 will be released in 2006.

Brenden Kelly and Fran Styron provided an overview of when the SOC will be incorporated into the California Cooperative Occupational Information System (CCOIS), a statewide program of 33 regions which conducts in-depth studies of certain occupations.

- Currently, CCOIS uses the OES system
- In 2003, they will convert to the SOC
- In addition, in 2003, they will begin to select employers based upon their NAICS industry designation.
- The changeover will require a major effort on their part, as manuals and computer programs must change, and staff and local partners must be trained to understand the new systems.
- Occupational selection will be based upon NAICS /SOC projections in 2007.
- Staffing patterns tell us in which industries we can find occupations. Until the transitions are complete, CCOIS is concerned that they will face challenges getting reflective staffing patterns (they are concerned that they will have to use classification systems that haven't been published yet).

Discussion of these issues followed. Some of the points that were made included:

Point raised: Wage information is less than useful if it is out of date. The 2001/02 data is not valid in later years.

Ken Budman explained that because it is a survey, the Occupational Employment Statistics Survey is not able to change wage information retroactively, except to perhaps note when the minimum wage is raised.

Point raised: What about projections? Are wages published along with projections? Clients are looking for information that includes growth, projections and wages. They are also looking for occupations that have a future. What we need are projections that come in a package that offers counties or regions together with numbers and wages.

Carl Hedlind discussed the projections data. Projections data can be published together with wage data on the website. The projections for counties do include input from the local area consultants, who are located in various areas around the State. County projections for 2006 are being updated now, and later this year, projections for 2008 will be finished.

Point raised: Will we remain in an OES/SOC mix? Some of us have to supply data categorized by SOC. Will there be a crosswalk available?

Carl Hedlind replied that the projections unit is working on a crosswalk. About half of the OES occupations have a direct counterpart in SOC, the other half do not. This means that some occupations will be fairly easy to generate a one-to-one conversion. Other occupations will be more difficult to convert.

Bonnie Graybill noted that LMID is going through two classification system changes at the same time; SOC to OES and SIC to NAICS. It will be a challenge for the entire Division to complete these changes, and for all of us to interpret data during this transitional period.

Point raised: Data in whatever form needs to be timely and useful. A lot of data flows to Washington, but data also must flow to our clients. The people in the middle are the people who produce and present data to the end user. How do we address this dilemma? How do we translate this data to students? Educators have to predict that a job would be there and then design a curriculum for the school. They need data upon which to make that decision.

Bonnie Graybill noted that we are certainly aware of the increased demand for our data. CCOIS is one tool among others to help all of us along this path.

Greg Marutani credited LMID putting a lot of data out. The web site really helps get the data out. This leads, however, to many more questions among users, and creates more of a demand for data that wouldn't exist if not for that data being available.

Point raised: How can we use O*Net and the new classification systems? For example, instructors will need to convert the OES/SOC codes that don't directly convert. However, it may be that O*Net common skills will help solve some of the dilemmas.

Beverly Odom noted that O*Net is a good tool, as it provides a different way of looking at occupations. Skills sets and transferable skills available through O*Net can become the common denominator.

Ken Budman pointed out that many codes have a direct one-to-one relationship. The newer classification systems are better and have more up-to-date codes.

Bonnie Graybill indicated that eventually everyone will need to convert to the new systems.

Point Raised: LMID needs to begin to market LMID's 2002 data now. In fact, continuous marketing of what LMID does helps keep this information source in front of the end user. This is especially important to local partners and customers, since they may not know about LMID products.

Bonnie Graybill announced that LMID plans to expand its marketing and outreach efforts, and offered to calendar a discussion about LMID's marketing efforts for the next meeting.

Update on the State of the State's Labor Market Report

Presenters:

Tammy Garcia

Paul Wessen

The State of the State's economy is examined in the 2002 edition of this report. The report is still in development because the shock to the economy from the terrorist attacks of September

11 require that the report be updated before release. The report is currently undergoing management review. The economy was clearly slowing down prior to September 11, 2001; those events certainly had an impact. The report will be slightly delayed so as to include a clearer picture in light of these events.

Highlights of the Report:

- Economy changed direction in 2001, from a position of job growth to one of slowdown or downturn. This was not projected in earlier reports.
- The terrorist attacks of September 11 generated an even slower economy
- The trend during the 1990s was for a slow economy and low population growth early in the decade. Even though the economy rebounded after mid-decade, population growth remained at a slower rate than in earlier decades.
- The report includes the effect on the labor force of the Asian population components, together with other ethnicity trends. Analysis for nine different regions, established by the Economic Strategy Panel, is also included in the report. For the first time, occupational analysis was included.

Point Raised: The prior reports were helpful and useful. What is the report intended to do? Who is the target audience? The timing is a problem with a report this late. Our needs seem to be for a report either earlier or later than the publishing date of this report.

Tammy Garcia replied that the target audience is economic planners and policy makers. The report is ordinarily published by late December. That is the normal publishing date. The intent is to have the report out by late December each year.

Bonnie Graybill said that January is the publishing date for the area planning information report. This provides basic planning data, leaving the analysis to the larger report.

Point Raised: (Referring to the Projections and Planning Information Report) the report is modular, and kept in a binder. Individual modules are updated as the data are updated. The local office updates the report as the modules are released. That way we have a current, up-to-date report at all times. (Bonnie Graybill noted that this modular publication is broader than the Planning Information Packet mentioned above, which is restricted to demographic information.)

Paul Wessen said that the State of State Labor Markets is a fairly new report for LMID. (They are currently working on the third edition.) They appreciate input as to the content and format of report.

Point Raised: Occupational data will be very useful. Educators need to plan 2-3 years in advance. Is there a way to inform readers how successful projections were in the past? Is this possible?

Bonnie Graybill related that LMID has done analyses in the past on our projections and our reports. Sometimes the projections are right on, sometimes off. The larger the occupational groups, the more accurate the projections. It's still difficult task to project future employment.

Point Raised: Suggest offering a high and a low range when they do their projections. They also could provide a range of estimates, such as plus or minus a certain percentage, along with the estimates. Some of us would rather see a range than a level of confidence measure.

If assumptions were clearly laid out, it would be helpful. It would also be helpful to know the rates of growth.

Bonnie Graybill said that growth rates are in many of our reports, such as the projections.

Effect of September 11 on the California and National Economy

Paul Wesson expanded upon the effects of September 11 on the California and national economy.

Some of the points raised:

Interest in data about the aftermath of Sept 11 is less intense now than right after the terrorist events.

- It really is difficult to quantify the effects of the terrorist attacks, especially since they took place in the middle of a recession.
- Key statistics when an economist looks at the economy are summary statistics such as GDP, total employment.
- Economists analyze net change. They really can't isolate a single event. The level of precision is not there to do that.
- It is fair to say, however, that September 11 was an economic shock that had a ripple effect throughout the economy.
- Certain industries, such as airlines, travel, and tourism, especially in New York, were directly affected.
- How did it effect consumer confidence? Business declines, especially in high-tech industries, have been the hallmarks of this recession so far. The Internet business suffered real declines over the past few years, and this has extended to the wider high tech industry.
- Business investment fell through the fourth quarter. However, the consumer hasn't stopped shopping and that has propped up the industry.
- Attacks were a blow to business and consumer confidence at least for several months after Sept 11.

- Estimate of about ¼ million job losses, but hard to separate effects of the attack and the general recession.
- The impact seems to be already dissipating. Although there have been national job losses, consumer confidence is up and so is the stock market.

What do the numbers say? The labor force data for September did not show the effect of the attacks, since the week included Sept 10, which was a totally normal day, and workers who worked that day were counted for the entire month. Effects did show up in October's data, which was compiled and released in early November.

Further points:

- California slightly less affected than the nation in November. Recession is much milder than the 90-92 recession. California is comparably much better off.
- Airlines and travel-related industries are particularly hard hit by Sept 11. Air transportation losses were higher than the national rate, but hotels less affected. Eating and drinking was actually up year-over.

Point Raised: How about looking at wage data to track the impact of a cut of working hours? There must have been a number of people whose hours were cut back and whose wages would fall as a result.

Bonnie Graybill noted that there is a lag of about five or six months, so that data maybe too late to actually provide more timely assessment of the impact of an event such as this. Doug Gray suggested reviewing the Tax Branch's DE-6 records, which should be available more timely. (Bonnie followed up with Tax Branch management regarding this suggestion, but they replied it would be difficult to draw conclusions from the data.)

LUNCH BREAK

State Board Update (California Workforce Investment Board)

Presenter:
Beverly Odom

There will be a seminar for all State Board members on February 10-11. Board members will look at the long term business cycle, long term investment strategies in a changing California and regional economy. They will also be able to clarify roles and strengthen relationships, with a special emphasis on private sector member needs. The meeting will be held at Stanford University.

Beverly discussed the Workforce Investment Board annual report. It was completed in December 2001. The report met federal guidelines and included information on the cost of workforce investment activities, performance outcomes achieved by adults, dislocated workers

and youth on the 17 required core indicators. It also included the results of program evaluations conducted by the State.

The Board decided to go beyond compliance with the requirements of the Workforce Investment Act. The Board included more discussion regarding their role in driving workforce policy at all levels of the system.

California did very well by exceeding all performance goals related to employment, retention and earnings.

The only exception was in youth diploma rate, because they couldn't go back to retroactively track participants.

They have also been working on the web site at www.calwia.org.

ETPL/CTEP: Joint report by State Board staff and Workforce Investment Division

Presenters:

Beverly Odom

Liz Clingman

Deb Cusimano

Performance-based accountability (PBA).

- How can we look at PBA activity for regions? The group is beginning to address this task.
- Small business centers can link to the one-stop, and information tied to industry growth and projections. One purpose of the workgroup is to improve the system.
- The State youth council is now being formed meeting later this month.

Beverly explained the functions of the group so far- including PBA enhancing the functioning of the effort. Increase the capacity of the PBA system. This is an integral part of the federal WIA.

Liz Clingman discussed the consumer report system. Three elements, ETPL, CTEP, and PBA, equal consumer report system.

Ultimately, the unit just wants a consumer report system that would incorporate or relate the other systems into that system.

Brenden Kelly elaborated further: CTEP (California Training and Education Providers) is a comprehensive list of training providers. It is about six years old. It provides the training options that are available in an area, and a number of options, including geographic, program type, provider, et cetera. This is designed to work via the Internet or CDs. The information is as current as possible, but it is a problem keeping it current. The information is also available via the COICC web page, and there is a link to the information from the CALMIS web site. Keeping it current once a year is even a problem. Adding or deleting schools is also a problem. Updating would ideally be done on a monthly or quarterly basis. Drawing on a

number of sources, an automated updating system would give current info w/o increasing demands on staff. It would be advantageous like to have a single list, but that's down the road.

Liz Clingman pointed out that the PBA data will be updated more often; they now update system every day by entering providers.

Fran Styron noted that ideally, CTEP lists all training providers. They provide accreditation, training program and other data. They do try to add all new schools as they are created, and delete the ones that go out of business.

Point Raised: PBA requirements for completion rates may put community colleges at a disadvantage when a private firm may show a higher completion rate. Other factors are in play.

Distinguish between the people who are simply taking a class or two for personal enrichment from those who enter and successfully leave a bona fide training program.

Point Raised: Some Community Colleges don't want to be on the ETPL list. They collaborate quite well, and intensively, with the local Workforce Investment Board, but they have problems being on this list, because they don't want to have reputation destroyed because of a low score.

Liz Clingman noted that ETPL also hears from private providers that they have problems with the list and PBA as well, albeit for different reasons.

Point Raised: All federal money comes with accountability measures. Perhaps if they could separate causal course takers from those in a program it could help mitigate this problem. Some college programs do and some don't want to be on the list. Marketing may be one reason to be on the list; in other cases, the college president felt it the way to go, to increase the exposure of the institution.

Pending Legislation of Interest

Presenter:
Velessata Kelley

Two things from the State of the State address. Governor Davis intends to close budget shortfall by inter-government borrowing, cutbacks, among other tactics. Term limits will have an effect on the makeup of the legislature, as will the fact that it is an election year.

Some highlights:

- EDD SB40 from last session increased the unemployment benefits, which will go up \$100 per week. There will be an additional \$40 weekly increase through 2005. The benefit amount will be retroactive for Sept 11 job losers.

- SB25, a bill to create a labor agency, was vetoed, but in his veto message the Governor directed the directors of EDD and Industrial Relations to meet on the issue, and provide some guidance which will allow him to sign a bill this year. In the State of the State message, the Governor announced his intention to create a labor agency. There is some debate whether legislation is even necessary to make such a change. It will likely happen soon. EDD will be a part of this agency.
- ABX48 Solar energy training provider oversight - EDD is in a lead position regarding certifying training providers, not actually training persons.

Wrap up /Closing Comments/Next Agenda

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Delta

Good attendance

Afternoon parking

Beverly Odom's presentation

Occupational coding discussion

Eliminate Fog

Good discussion all around

Comment period on the minutes

State of the State's Labor Markets presentation and changes discussion

Facilitator

Handouts

Legislative discussion

Adjourn:

Next meeting is set for April 17, 2002

Suggested agenda items:

LMID Marketing—market research agenda and outreach ideas

Updates on State of the State's Labor markets and Labor Agency (brief)

September 11 update (occupational effects?)

State Board Update

Legislative Update

On-line LMI Training